



SUSTAINABLE COMMUTING ROCKVILLE, MD JUNE 10, 2010

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THE MARYLAND MORTGAGE PROGRAM

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Mortgage Products

30-Year Mortgage

- Fixed interest rate - entire term of loan
- FHA, VA, or RHS loan types
- Downpayment/closing cost assistance available
- Rates vary with the market and are subject to change at any time – please visit:

www.mmprogram.org for current rates and points

Maryland Mortgage Program

FIXED Interest Rates (as of 6/1/10)

3 points	2 points	1 point	0 points
30-year Amortizing			
4.375%	4.50%	4.625%	4.75%

Interest rates and points subject to change at any time, always consult CDA's website for current pricing.



Who's Eligible?

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Eligible Borrowers

- Must intend to occupy the property as a principal residence within 60 days of closing
- May not exceed income limits
- Borrowers cannot own any other real property at the time of closing

Eligible Borrowers (continued)

- Citizenship of the United States is not required to obtain a CDA loan
- Borrower must have a valid social security number and,
- Be eligible to work in the United States

Eligible Borrowers (continued)

Income Limits

- Total projected Annual Household Income may not exceed applicable income limit
- Projected income for ALL household members (including overtime, part-time, commissions, etc.) is utilized to determine income
- Eligibility Calculator on website under “Tools”:

www.mmprogram.org/tools.aspx

Eligibility Guidelines

First-Time Homebuyers

- Federal Definition: Borrowers who have not had a “present ownership” interest in a principal residence in the last three years
- Borrowers who are purchasing in a TARGETED AREA do NOT need to meet the first-time homebuyer definition
- Visit www.mmprogram.org for a list of targeted areas

Eligibility Guidelines (continued)

First Time Homebuyers - Veterans

- Veterans purchasing in a non-targeted area are exempt from the first-time homebuyer rule and may have owned a home in the past three (3) years
- A veteran may use this exemption only one time (does NOT have to be a VA loan)

Eligibility Guidelines (continued)

Targeted Area vs. Priority Funding Area: Different Meanings

Targeted Area

- Targeted areas are designated by the Federal Government
- To promote investment, borrower does not have to be a first-time homebuyer if property is located in Targeted Area



Maryland Department of Housing
and Community Development

Eligibility Guidelines (continued)

Targeted Areas (continued)

- The following jurisdictions are designated targeted areas:

Allegany Co.

Caroline Co.

Dorchester Co.

Somerset Co.

Baltimore City

Garrett Co.

Kent Co.

Eligibility Guidelines (continued)

Targeted Areas (continued)

- In addition, portions of other counties are targeted areas
- To determine if a specific area is targeted:

<http://www.mmprogram.org/TargetedAreas.aspx>

Eligibility Guidelines (continued)

Priority Funding Areas

- Older community or locally-designated growth area where State and local governments already have a significant financial investment in the existing infrastructure
- If new construction, it **MUST** be located in a Priority Funding Area

Eligibility Guidelines (continued)

Priority Funding Areas

Refer to:

<http://mdpgis.mdp.state.md.us/pfa/pfa.htm>

In the “locate box” enter the property address:

- Click on Locate, then the globe on the left hand side of the page, and in the globe a drop down box will appear; click “Legend”

Eligible Property Types

- Detached
- Attached
- Semi-detached
- Townhouses
- Modular
- Condominium
- Manufactured Housing (with State Seal of Approval; must be a double-wide with 800 minimum square feet)



Eligible Property Types (continued)

Housing Standards

- Existing Homes: Home Inspection – items determined by the Lender as imminent fire, safety and health hazards must be addressed; necessary repairs must be certified as complete prior to closing

Eligible Property Types (continued)

Housing Standards

- Newly Constructed Homes: satisfactory Final Inspection Report - property must be certified 100% complete prior to closing
- Home Inspection not required for new construction or a rehabilitation that cost 50% or more of the sales price of the property

Credit Scores

- Minimum credit score – 620
- If the borrower has no credit score and the loan is a manually underwritten, the loan will be eligible if the borrower has acceptable non-traditional credit as determined by guarantor's (FHA, VA or RHS) guidelines
- Effective 11/20/09

Ratios

- For all manually underwritten loans CDA supports a benchmark DTI of 36%
- This benchmark can be exceeded up to a maximum DTI of 45% with strong compensating factors as defined by the Insurer/Guarantor
- The maximum DTI for all loans underwritten by an automated system is 45%



Downpayment and Closing Cost Assistance Programs

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Downpayment & Settlement Expense Loan Program

(DSELP)

- \$3500 in the form of a 0% deferred loan (subordinate lien) which is repayable in full upon sale or transfer, or when the first mortgage is paid off or refinanced
- DESELP must be in a second lien position



Partner Match Programs

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Partner Match Programs

- House Keys 4 Employees (HK4E) with Smart Keys 4 Employees (SK4E) component
- Builder/Developer Incentive Program (BDIP)
- Community Partners Incentive Program (CPIP)
- These programs are only available with a CDA loan



House Keys For Employees (HK4E)

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House Keys 4 Employees

Workforce Housing Initiative

Additional downpayment assistance through employer matching contributions

An employer partnership initiative developed by DHCD that matches funds from employers to help their employees who want to buy a home

House Keys 4 Employees (continued)

What is it?

- Provides additional downpayment and closing cost assistance; can be used in addition to DSELP
- May only be used in conjunction with CDA mortgage loans
- Refer to CDA's website for current list of participating employers

House Keys 4 Employees (continued)

- DHCD will match dollar-for-dollar up to \$5,000 from a participating employer toward downpayment and closing costs
- The HK4E match from DHCD is a 0% deferred loan, repayable when the home is sold or transferred, or when the first mortgage is paid off or refinanced

House Keys 4 Employees (continued)

Examples using a \$200,000 loan amount

Example 1: Employer contribution = \$5,000

DSELP	\$3,500
Participating HK4E employer contribution/Local Match	5,000
HK4E dollar-for-dollar match	5,000
Total closing cost assistance	\$13,500

Example 2: Employer contribution = \$1,000

DSELP	\$3,500
HK4E employer contribution/Local Match	1,000
HK4E dollar-for-dollar match	1,000
Total closing cost assistance	\$5,500



DHCD
Maryland Department of Housing
and Community Development

Smart Keys 4 Employees

A “Smart Growth” enhancement to the House Keys 4 Employees (HK4E) Program that allows borrowers to receive additional matching funds if:

- Subject property is located in a Priority Funding Area
- Subject property is within 10 miles of borrower’s place of employment or within the boundaries of the local jurisdiction

DHCD will double the amount of the normal HK4E match (up to a maximum of **\$10,000.00**) for borrowers that meet this criteria

Smart Keys 4 Employees

Example - \$200,000 loan amount

DSELP	\$3,500
Participating HK4E employer contribution/Local Match	5,000
HK4E dollar-for-dollar match	5,000
SK4E match	\$5,000

Total contribution for closing cost assistance: \$18,500



Builder/Developers Incentive Program (BDIP)

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Builder/Developer Incentive Program

The Builder/Developer Incentive Program (BDIP) enables eligible homebuyers to receive supplemental downpayment and/or closing cost assistance IN ADDITION DSELP

DHCD will match dollar-for-dollar up to \$5,000 from a participating builder/developer toward downpayment and closing costs



Community Partners Incentive Program (CPIP)

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Community Partners Incentive Program

The Community Partners Incentive Program (CPIP) enables eligible homebuyers to receive supplemental downpayment and/or closing cost assistance IN ADDITION to DSELP

DHCD will match dollar-for-dollar up to \$5,000 from a participating builder/developer toward downpayment and closing costs

Downpayment & Closing Cost Assistance

Partner Match Programs (continued)

- For more information on DHCD's Partner Match Programs, visit www.mmprogram.org and click on "Downpayment" at the top of the page
- The DESELP and Partner Match Programs may only be used in conjunction with a CDA first mortgage loan

Questions/More Information

www.mmprogram.org / 1-800-638-7781

new product information

interest rate updates

fact sheets on loan products

income & purchase price limits

downpayment & closing cost assistance programs

homeownership counseling information

download homebuyers kit

eligibility calculator under “Tools”